

WHAT KIND OF ECONOMY IN THE ERA OF COMMON GOODS?

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1. **From a charism comes an Economy of Communion**

The Economy of Communion (EoC) is not the only legacy Chiara has left to the field of economics but it is the main one both in terms of praxis and theory which I shall now try to outline in this paper. It is a legacy of no small importance when we consider how the economic crisis is one of the most significant elements of the anthropological and relational crisis of our times.

Although the EoC is still little more than a seed, many consider it to be a substantial experience within the economic-social activities that emerged in the second half of the twentieth century, so much so that – to give just one example from the Catholic world – it was cited as a model to be developed by Pope Benedict XVI in his encyclical, “*Caritas in Veritate*” (no. 46), a reference that was not marginal given the structure of this writing.

The EoC is also a modern milestone in the long history of “charismatic economics;” that is, in the history of those economic and civil experiences born from charisms capable of generating great innovations in the civil and economic sphere. We need think only of the fundamental economic role Monasticism played in the first millennium, of the Franciscan orders and of the many social charisms in the Second Millennium up until our present age.

I will try in particular to show how EoC – in its concrete proposals as well as in the humanism from which it emerges – is particularly germane to the contemporary era marked not only by economic crises and sweeping paradigm shifts, but also by the centrality of Common Goods (the commons), as they are called. Indeed, our era has been called an “era of common goods.” In the era of common goods, the enemies of the Common Good are not only vices (old and new) but also the traditional virtues that need to be re-considered in a more explicitly relational way. If we fail to do so, we will fall into the so-called “tragedy of the commons,” also with people who are individually virtuous (in the classical sense), but who are not able to exercise relationality and reciprocity as well as business.

The EoC proposes an economic logic characterized by two fundamental anthropological elements:

- an idea of the “person” as an economic agent, whose very being is relationship;
- an idea of commerce and economy viewed as reciprocity and “mutual assistance” (in the words of the Neapolitan economist Antonio Genovesi). Not only is this idea not contrary to an authentic sociality and gratuitousness, but rather it is integral to and an essential element of commerce and economics in terms of viewing them as fully and authentically human environments.

May 1991 is the date on which Chiara launched the economic project be called the Economy of Communion, a project which is an invitation addressed to entrepreneurs and businesses to personally take up the struggle against extreme poverty by sharing profits. What took place on that providential day in May 1991 in Sao Paolo must be placed within the context of the history of the Focolare Movement, then already fifty years old, so as to be understood correctly and without reductionisms. It can be seen as a tip of an iceberg whose depth runs much deeper.

Many of the ideal, social and spiritual elements characterizing the experience and spirituality of Chiara and the Movement from the very earliest days in Trent came together in that concrete proposal. Twenty-two years ago, that new evangelical sociality also became a new economy, because, at least implicitly, it already was so, even though without a specific theoretical reflection at that time.

Therefore the EoC became an embodiment on a large scale of the charismatic pillars which characterized the life of the Movement up until then (and still today). We can list some of these pillars:

a) **The communitarian inclusion** of the poor of Trent in the 1940's. The Focolare Movement did not set up a soup kitchen; rather the focolarine lived together with the poor, inviting them home for dinner ("a poor person and a focolarina"). In 1991 all of this became a *productive inclusion*, in which the invitation of the poor person to dinner becomes the creation of jobs with and for them: the table of brotherly love also becomes the workbench, the office, the factory. And (as is recounted) the best celebratory tablecloths used to welcome them, today become the celebration of brotherhood even using working clothes.

b) **The first way to heal** exclusion and extreme poverty is build 'with' one another – to build together – new relationships of true fraternity. Over and beyond the material object of the relationship, it is the relationship itself that heals and generates the strength needed to get out of all the traps of destitution and marginalization. Brotherhood requires sharing and affection. Just as the symbolic and foundational moment of the Franciscan brotherhood is to be found in Francis' kiss of the leper, so too inviting the poor home and caring in the Focolare house also for people who had picked up infectious diseases were Chiara's acts of brotherhood. It is this brotherhood which in the EoC became, becomes and will become always more a specific form of economy. And this leads to a type of economy that goes beyond paternalism and state aid "to" the poor, an economy not born from true brotherhood, to an economy "with" persons who are in need but who remain truly equal to all in dignity (this is the basis of equality and real reciprocity among the various protagonists in the development process).

c) **On the level of ideas** and the cultural paradigm: the cultural and, in some still cases, theoretical categories, which are emerging from the EoC experience,¹ are attempts to work out in the language of economics the charismatic categories to be found in the life and doctrine of Chiara's charism of unity. And for this very reason, when one wishes to truly understand what is Chiara's EoC, we must read it in the larger context in which it was generated: a new vision of economics, that goes beyond individualistic capitalism on the one hand, and illiberal collectivist economy, on the other. In the EoC we see businesses and the poor, but we also find something more. We need to know how to catch sight of a new humanism in and beyond them. In a nutshell, we need to perceive a proposal, that is already working, of a new practical and theoretical economic paradigm, of a new vision of the economic system as a whole, even if for now we only manage to outline a few features of it.

So with the EoC a new page of charismatic history is being written, where one sees living seeds of the Catholic tradition (Francis of Assisi is important, as is Benedict of Nursia with his "work and pray") and the lay tradition (the social and cooperative tradition of Trent, for example).

In what follows, I will firstly describe briefly the meaning of the "tragedy of the commons" that characterizes many of the economic realities of our time. In the second part I will show how one can find elements in the EoC that can overcome these tragedies and so glimpse a horizon of hope beyond the crisis of our times. What I'm trying to do here is to suggest the relevance of some of these categories for economy in the era of common goods.

1. **The common goods era**

The *common goods era* is an expression that underlines an historic and cultural fact: the most strategic and essential goods today are no longer the classical private goods (goods that cannot be consumed or enjoyed together without the diminishing the consumption of one of the subjects: for example, a sandwich, money, clothing...), but the common goods, those goods that are characterized by two elements:

a) they are used together (by two or more people) (e.g., a public park);

¹ Among these: reciprocity, relational goods, governance of communion, work as gift, gratuitousness, poverty, relational trust, we-rationality, happiness

b) given the above characteristic, if these goods are left to be managed solely by the criterion of individual rationality (e.g., by the capitalistic market), they tend to be used too much (in terms of what's best at both a collect and individual level), and often end up destroyed.

There's a story, now classic in economics that tells of pasture held in common. It's a story told by the biologist D. Hardin in his article "The Tragedy of the Commons", a 1968 article published in *Science* magazine). The pasture is shared in common by the shepherds of a valley. No one can be excluded from the pasture. So what would happen if each one were to follow the myopic logic of individual, egotistical self-interest? The individual benefit of bringing one more cow into the pasture is +1; the cost (the reduction of grass), instead, is shared between all of the farmers, so it is a $-1/N.$, so it is less than the individual benefit. This leads to each "homo oeconomicus" farmer bringing too many heads of cattle into the pasture, and that results in their depleting too much of the soil and, over time, destroying the pastureland. We see this too often in so many parts of the world.

But we also know from the history of humanity that communities do not always destroy their shared pastures. (think of the ancient communities of the Alps and Apennines, to take just an example in Italy, for instance, the millennia-old "Magnificent community" to be found in the Fiemme Valley in Trent, not far from Chiara's area.). The main reason for this is that the traditional logic, conventions and institutions of these communities evolved and were thought through and maintained also and indeed above all to avoid this type of collective failure. Today, however, the development of the individualistic logic in the capitalistic market is multiplying the occurrence of tragedies of the commons as it's called: from water to the ozone layer, from forests to finance. In fact, even the recent financial crisis (which exploded September 15, 2008) can be read as a tragedy of that common good called "trust": too much private trust was consumed when banks and above all some big companies unburdened the risk inherent in the system onto others until, at a certain point, the reaction exploded.

An Economy in a "common goods era" requires a logic, a way of living, that should be immediately relational, which does not reason along individualistic terms typical of the dominant economic paradigm. It requires a rationale of communion, an expression of a qualified relational anthropology (as we heard this morning and will hear tomorrow).

For Chiara the human person is a reality of communion; i.e., a relational reality, and in many dimensions: "On earth all stands in a relationship of love with all: each thing with each thing" (1949, §559).

There are several fundamental operations to be carried out in order to "communionize" the economic theory and practice, and to render it capable of describing and foreseeing individual and collective behaviors in this new historic phase, and so avoid current and future tragedies. Some (although still few) of these "operations" are beginning to emerge and they constitute the "heart" of the research program of several economists involved in the EoC (understood in the widest sense as I detailed earlier). Among these I would like to mention here the concept of relational good and that of poverty. These are two subject-exercises which do not touch other fundamental aspects of economy today, such as the large-scale aspects of the economic system, about which our reflection is still only at the beginning stages.

2. Relational Goods

Modern, and even more so, contemporary economics has not generally taken the intrinsic value of human relationships into consideration.² Economists viewed them (*when* they viewed them) as a kind of background for market activity, or as useful and functional elements in the exchange or production of goods and services that are fully independent and distinct from human relations, goods that are the typical objects of economic study. In recent decades, however, attention is being given to relational themes such as confidence, social capital, networking, reciprocity. Words are beginning to be used that, to put it mildly, were rarely used before in the tradition of economics,

² A separate talk could be given for heterodox authors, such as Marx or J.S. Mill, who attributed an important role to relationships, even though the concept of relational goods as used within the working group linked to EoC carries its own originality also with regard to the authors who saw and see relationships.

words such as brotherhood, spiritual capital, intrinsic motivations, etc. In the light of this development, and also thanks to the space created within the economics discipline for such categories, Benedetto Gui, one of the first theoretical economists to become involved in the EoC and in elaborating the cultural categories of the charism of unity, introduced in 1986 the concept of “relational good” in a company. In this he was slightly ahead by a few months of other authors including the American philosopher Martha Nussbaum. His explicit goal was precisely to contribute to theorizing, in economic language, a central dimension of the charism of unity. The theme of relational goods today represents a true field of theoretical and empirical research.

The basic idea of the concept of relational good (which may vary in terms of technical detail and, in part, in content), is to attribute the status of economic *good* (or *evil*) also to *relations in themselves*. Each human relationship is a infinitely “greater” fact than the economic dimension alone, but nevertheless it can be understood and described also as an economic good; that is, a reality to which people attribute also an economic value (alongside other non-economic values), and from which they obtain well-being.

But what is the goal and added extra that comes from such methodology and theory? To understand this it would be enough to think of the problems (not only economic ones) that determined and still determine those economic analyses that do not “see” relational dimensions. If, for example, when jobs are planned and drawn up, the cost-benefits model with which choices are made “sees” only the typical economic goods and evils (time, efficiency, noise...), jobs can be carried out in such a way that the interpersonal relationships are mortified or destroyed, producing, among other things, also deplorable economic results. Or we could think of the subject of large-scale distribution. If a public administrator turns to a studies center to analyze whether or not to open big commercial centers on the outskirts of a city, resulting in the closure of many smaller stores in the city’s historic center, if these economists fail to see the “fabric” of relationships woven around the small stores at the city’s center (stores whose benefits reach, above all, the elderly, children, and those most vulnerable), the economists involved could make wrong calculations because in the calculation, certain goods are missing. This is also because relational goods depend largely on the well-being of the people as we can see, for example, in the, by now, abundant literature focusing on people’s happiness. And we could continue with an economic analysis of tourism, culture and the many areas of care and service of the human person, but also the success of those sections of “Made in Italy,” social cooperatives, or those choices to change or not change place of work, the working well-being, and so on, to the point of arriving at measuring the effects of EoC both inside and outside the businesses.

Finally, the relationship should be worked out not only in terms of the diagonal I-YOU relationship. There also certainly exists, and it’s relevant, a dimension of relationality that unfolds along the I-HIM or the I-THEM diagonal. In other words, relationships that are different from, for example, in a hospital, the doctor-patient relationship, but are relationships found in institutional and corporate governance that make the patient be welcomed well and respected by the doctors and nurses, and have efficient labs and operating theatres well prepared—not to mention the relationships of power, of command, of organization. Relationality exists, but there are many relationalities, and all of them are important in order to live well or badly.

3. **Dealing with Poverty**

Today, poverty, or better, destitution and exclusion (poverty, a word found also in the Gospel and in charisms, is not only a wound in humanity because, if freely chosen, it is also a beatitude), is once again growing throughout Europe and in the rich world. But, today, the forms of poverty striking well-off societies such as European societies, come in new forms (on top of old forms). Examples of these forms include exclusion from public life; mental stress (which is rising sharply), migrants not assimilated into society, new expressions of dependency such as gambling an authentic epidemic which strikes above all the lower middle class of our society. Old and new forms of poverty all share in common the characteristic of being, above all, relational forms of poverty: they are not so much, or above all, forms of poverty due to a lack of income: and even when they might

seem related to lack of income or wealth, their real root, and therefore their cure, is not to be found in the economics field, but in the relational and therefore social field. On this subject, the teaching of the Indian economist, A. Sen, and his question, “Poverty of what?” is also of great importance.

In these years the EoC has and continues to experience how the first measure in addressing poverty is to foster relationships, from those of the family to those of politics: poverty is not simply one single issue, but a collection of unhealthy relationships, which then proceed to shape also individual conditions of exclusion and misery. For this then, the first treatment of every form of poverty is to offer relationships of brotherhood and reciprocity that give dignity to the person in difficulty and help him/her to take the first step in order to emerge from the traps of poverty, a first step that only he or she can take.

In general terms, in simple subsistence economies where people emerged and are emerging from forms of endemic poverty, and where family and community relationships were and are strong and stable (even if often unjust and illiberal: just think of the role of women), enabling people to emerge from the traps of poverty, it was necessary first of all to increase per capita income as well as public goods (health, infrastructures, ...) and meritorious goods (especially the school). Today in an era in which the relational good is very fragile and rare, if we do not *first* heal and rebuild relationships, the necessary interventions on income/earnings and public and meritorious goods will often remain ineffective, as evidenced by many decades of public assistance, also in Europe. The approach, therefore, needs to change, and the experience of the EoC, that begins with the step of relation-building as a pre-condition for every project of human development, can serve as a small model.

The EoC tells us that before poverty (seen as a category) exists it is poor people who exist. And without meeting the *person* in the poor, poverty will never end. At most, it will be managed, immunizing oneself from it. The Franciscan brotherhood has a solemn moment at its beginning when Francis embraced and kissed the leper of Assisi. The treatment typical of brotherhood never leaves one immune; rather one lets oneself be contaminated by the poor, who then truly become our brothers and sisters. In the EoC this experience of embracing (the leper) is lived in giving tangible assistance and in the communitarian experience (which is always the essential pre-condition), but also and perhaps above all, not resting until the poor are offered a job in our businesses. As long as one cannot work, one remains poor.

Furthermore, Chiara helps us discover that a company also has a vocation to fight exclusion and poverty. Entrepreneurs cannot be content just with paying taxes and respecting the law. In these times of crises they must still use their talent and entrepreneurial vocation to combat poverty and exclusion, creating new forms of work. When Chiara proposed that businesses re-invest profits back into the business (a third part) in order to create new jobs, she was saying something extremely new. She was saying that the business fights poverty also and above all by creating jobs, and therefore productively including persons. And not primarily with philanthropy (with 1-2 percent of their profits: what happens to the remaining 99%?) that the capitalistic model increasingly presents as the rule to follow in dealing with those who are excluded. In this, the EoC is linked, among other things, to the great European cooperative movement, of which Chiara’s native Trent is one of its most fertile regions.

Conclusion

In this short paper I’ve looked at two examples, two exercises in order to say that a charisma that highlights the relational nature of the human being brings those who participate in it and live it – economists in this case – to see things that remain invisible to most people, and presents new questions and suggests some solutions.

With the gift I received of being able to accompany Chiara in the last ten years of the EoC’s founding and in the Abba School, I am convinced that the most interesting and innovative part of Chiara’s economy has yet to begin. That is, penetrating the heart of the human person’s relational mystery, and so penetrating economic and social relationships, can suggest to present and future economists, in dialogue with others, how to discover and draft models in this moment of human

history in which the most important goods become common goods and in which there is emerging an urgent need for new economic categories that can better account for the actions of that relational being we call person, actions capable of reducing poverty and exclusion, the great wound and the great responsibility of our times.